

**ASSEMBLY BILL**

**No. 1159**

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**Introduced by Assembly Member V. Manuel Perez**

February 27, 2009

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An act to add and repeal Sections 17053.71 and 23671 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1159, as introduced, V. Manuel Perez. Income and corporation tax credits: sales and use taxes: qualified property.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would, for taxable years beginning on or after January 1, 2009, and before January 1, 2016, allow a credit in an amount equal to the sales and use tax paid or incurred for the purchase of qualified property, as defined.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. This act shall be known and may be cited as the  
2     California Cleantech Advantage Act of 2009.

3     SEC. 2. (a) The Legislature finds and declares all of the  
4     following:

5     (1) That the enactment of Assembly Bill 32 (Chapter 488,  
6     Statutes of 2006) made California a national and global policy

1 leader in the effort to reduce greenhouse gases that pose serious  
2 threats to our natural environment and to our residents' health and  
3 safety.

4 (2) That the prospect of global warming is very real and may  
5 already be impacting our climate and ecosystems.

6 (3) That there is an urgent need to develop, market, and use  
7 products, equipment, and services that reduce the formation of  
8 greenhouse gases.

9 (b) The Legislature further finds and declares:

10 (1) That the level of national and global concern over greenhouse  
11 gas emissions has begun to focus American technological research  
12 and investment on developing industrial and consumer products  
13 and processes that produce zero or ultra-low emissions of carbon  
14 dioxide, the primary greenhouse gas.

15 (2) It is in the best interest of this state to expeditiously foster  
16 a competitive cleantech industry in California by offering investors  
17 financial incentives to spur cleantech research and development,  
18 production, and utilization of environmentally clean products.

19 (3) That Cleantech Venture reached eight billion four hundred  
20 million dollars (\$8,400,000,000) in 2008.

21 (4) That growing cleantech investment will help create as many  
22 as 114,000 new, high-paying, skilled jobs, improve the state's air  
23 and water quality, and offer businesses reliable and affordable  
24 sources of alternative energy.

25 (c) Therefore, it is the intent of the Legislature to enact and  
26 enhance targeted tax credits to increase investment in cleantech  
27 activities and renewable energy, as well as maintain and enhance  
28 this state's competitive lead in attracting investment capital, clean  
29 industry, and high-paying, skilled jobs.

30 SEC. 3. Section 17053.71 is added to the Revenue and Taxation  
31 Code, to read:

32 17053.71. (a) For each taxable year beginning on or after  
33 January 1, 2009, and before January 1, 2016, there shall be allowed  
34 as a credit against the "net tax," as defined by Section 17039, an  
35 amount equal to the sales and use tax paid or incurred during the  
36 taxable year by the taxpayer for the taxpayer's purchase of qualified  
37 property.

38 (b) For purposes of this section, "qualified property" means any  
39 property used in an enterprise zone, targeted tax area, or a local

1 military base realignment area for the production or generation of  
2 renewable energy.

3 (c) In the case where the credit allowed by this section exceeds  
4 the “net tax,” the excess may be carried over to reduce the “net  
5 tax” in the following year, and the four succeeding years if  
6 necessary, until the credit is exhausted.

7 (d) This section shall remain in effect only until December 1,  
8 2016, and as of that date is repealed.

9 SEC. 4. Section 23671 is added to the Revenue and Taxation  
10 Code, to read:

11 23671. (a) For each taxable year beginning on or after January  
12 1, 2009, and before January 1, 2016, there shall be allowed as a  
13 credit against the “tax,” as defined by Section 23036, an amount  
14 equal to the sales and use tax paid or incurred during the taxable  
15 year by the taxpayer for the taxpayer’s purchase of qualified  
16 property.

17 (b) For purposes of this section, “qualified property” means any  
18 property used in an enterprise zone, targeted tax area, or a local  
19 military base realignment area for the production or generation of  
20 renewable energy.

21 (c) In the case where the credit allowed by this section exceeds  
22 the “tax,” the excess may be carried over to reduce the “tax” in  
23 the following year, and the four succeeding years if necessary,  
24 until the credit is exhausted.

25 (d) This section shall remain in effect only until December 1,  
26 2016, and as of that date is repealed.

27 SEC. 5. This act provides for a tax levy within the meaning of  
28 Article IV of the Constitution and shall go into immediate effect.